CLASSIFICATION

CONFIDENTIAL SWIDE THAL

CENTRAL INTELLIGENCE AGENCY

REPORT

50X1-HUM

INFORMATION FROM

INFORMATION FROM
FOREIGN DOCUMENTS OR RADIO BROADCASTS CD NO.

COUNTRY

China

....

DATE OF INFORMATION 1950

SUBJECT

Economic - Finance

DATE DIST. 27 Jul 1950

HOW

PUBLISHED

Daily newspapers

AIE DISI. OC / JUL 1979

WHERE

PUBLISHED

Canton; Shanghai; Hong Kong

NO. OF PAGES 2

DATE

PUBLISHED

8 May, 21 Jun 1950

SUPPLEMENT TO

LANGUAGE

Chinese

REPORT NO.

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE MATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF ESHIONASE ACT SY 9, S. C. 31 AMD 32, AS MERIODE. ITS TRANSMISSION ON THE SEVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PRO-MISSITED BY LAW. REPRODUCTION OF THIS FORM IS PROMISITED.

THIS IS UNEVALUATED INFORMATION

SOURCE

Newspapers as indicated.

SOUTH CHINA REVISES FOREIGN EXCHANGE PROVISIONS

STREAMLINES CONTROL PROCEDURES -- Canton Nan-fang Jih-pao, 21 Jun 50

The South China Finance and Economic Committee has acted to streamline foreign exchange control procedures to comply with the unification of financial and economic activities. It has also revised certain articles of the Provisional Regulations Governing Control of Foreign Exchange and the supplementary detailed regulations amplifying provisions of the law.

Simplification Measures

- 1. The Foreign Currency Exchange Center /In Canton is abolished. Foreign exchange transactions will be handled by the foreign exchange department of the Bank of China at the posted rate.
- 2. The 40-day limit on the validity of foreign exchange certificates is removed.
- 3. Repurchases of foreign exchange will be made at the posted rate of the day. The former provisional regulations of the Canton Military Control Commission on foreign exchange are hereby rescinded.

Revisel Articles Governing Foreign Exchange Control

Article 5. In accord with the principle of allowing a premium on overseas remittances, the Bank of China will, according to the conditions of supply and demand for foreign exchange, set the rate for the day after receiving the concurrence of the District Branch of the People's Bank. All transactions will be carried on at that rate.

Article 6. All foreign exchange falling under the intent of Article 2 of these regulations must be deposited in the Bank of China (or the People's Bank where there is no Bank of China) as a foreign exchange, or a foreign currency deposit, or sold to the bank for yuan.

-1-rentillation

	CLASSIFICATION			ON	CONFIDENTIAL					
STATE	X NAVY	X	NSRB		DISTRIBUTION	↓	ļ.,	 	┥	\dashv
ARMY	X AIR	X	FBI			<u>i</u>	<u> </u>	<u> </u>		

661	KITIAL
-----	--------

CONFIDENTIAL

50X1-HUM

Article 7. Such deposits or deposit receipts may not be freely sold. They must be exchanged at the Bank of China.

Article 8. Those in the following categories may apply to the Bank of China or its appointed bank for foreign exchange:

- a. Importers holding Trade Control Bureau import permits.
- b. Those who hold proper permits and Trade Bureau documents and have the permission of a national bank to buy foreign exchange to pay transport of exports, insurance charges, etc.
- c. Those holding proper permits, and having permission of a national bank to buy foreign exchange for travel expenses abroad, for remittances to family members abroad, or for the living expenses of company staff members abroad.

Article 9. In case a holder of foreign exchange finds that due to a recession in his business he does not need all his foreign exchange, he should resell it to the Bank of China at the day's posted rate. However, if the original period which he was granted within which to import his goods has expired, he shall be given the lowest rate of the period between the date of expiration and the date of resale.

NORTHEAST BANK ISSUES NO NEW CURRENCY IN 1950 -- Shanghai Hain-wen Jih-pao, 8 May 50

Mukden, 7 May -- Since the beginning of 1950, the Northeast Bank has not issued a single new note; nevertheless, the program of industrial expansion has been carried forward unabated. Commodity prices are also on the way to stabilization. These desirable conditions are the result of the application of control of current capital and institution of the book account transfer system for funds transfers.

SHANGHAI PRIVATE TEXTILE INDUSTRY RECEIVES AID -- Hong Kong Ta Kung Pao, 21 Jun 50

Shanghai, 19 June -- Of the 37 private textile manufacturing industries now operating in Shanghai, 70 percent have received loans from the government to enable them to expand in accordance with plans that the government has for the industry. About 90 percent of the companies are now processing cotton for the government.

Since the liberation, 15 textile concerns have closed down and one has moved to the interior.

- E N D -

- 2 -CONFIDENTIAL